



**Livestock and Seed Program  
Audit, Review, and Compliance Branch  
Quality System Audit Report**

**AUDIT INFORMATION**

<b>Applicant Name:</b>	Ecocert International
<b>Est. Number:</b>	N/A
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<b>Auditor(s):</b>	Rick Skinner
<b>Program:</b>	USDA National Organic Program (NOP)
<b>Audit Date(s):</b>	May 27, 2008
<b>Audit Identifier:</b>	NP7246EEA
<b>Action Required:</b>	No
<b>Audit Type:</b>	Corrective Action Audit
<b>Audit Objective:</b>	To verify that the corrective actions adequately address the outstanding non-compliances from the 2006 NOP Annual Report and the non-compliances from the on-site Accreditation Renewal Audit.
<b>Audit Criteria:</b>	<ul style="list-style-type: none"><li>• 7 CFR Part 205, <i>National Organic Program; Final Rule</i>, dated December 21, 2000, Updated December 12, 2007</li></ul>
<b>Audit Scope:</b>	The company's submitted corrective actions.
<b>Location(s) Audited:</b>	Desk

Ecocert International submitted corrective actions in four separate submissions. They were received on January 08, February 06, 2008, March 06, 2008, and April 04, 2008.

**FINDINGS**

The corrective actions submitted by Ecocert adequately addressed the two outstanding non-compliances from the 2006 NOP Annual Update Audit (NP6249BBA) and the fourteen non-compliances from the on-site Accreditation Renewal Audit conducted in Germany, China, Serbia, and Canada (NP7246EEA).

**NP6249BBA.NC1 – Adequately Addressed** - Clause 205.510(a)(3) requires “A description of the measures implemented in the previous year and any measures to be implemented in the coming year to satisfy any terms and conditions.....” *The corrective actions from the non-compliance (NP5189BBA.NC1 listed above) of the 2005 NOP Update had not been submitted. No response at the time of the audit (On-site Audit). Corrective Action:* In Ecocert's response, they apologized for not providing corrective actions to the 2005 NOP update. The person in charge during this review has left, and Ecocert could not



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find related documents. In addition, Ecocert did not receive the audit information/report where the major non-compliance was still mentioned as outstanding (NP6249BBA). As corrective action, Ecocert submitted the appropriate documents. Ecocert submitted the overview of Ecocert offices in different countries and the list of certification staff. Ecocert also submitted Conflict of Interest Disclosure Reports, list of certified operations, annual program review/performance evaluations for 2005, and three reports and certification decisions for each area of accreditation. These documents were sufficient in addressing the non-compliance.

**NP6249BBA.NC2 - Adequately Addressed** - Clause 205.510(a)(1) requires “A complete and accurate update of information submitted pursuant to §§ 205.503 and 205.504”, and 205.510(a)(4) requires “The results of the most recent performance evaluations and annual program review...”

*a) 205.504(c)(2) – No annual conflict of interest disclosure reports were submitted for persons who review applications, conduct on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations or certification decisions, and for responsibly connected parties.*

*b) 205.504(d)(1) – The list of production and handling operations currently certified by the applicant were not submitted.*

*d) 205.504(d)(2) – The copies of at least three inspection reports and certification evaluation documents from production and handling operations for each area of accreditation (minimum of one from each area of accreditation) were not submitted.*

*e) 205.510(a)(4) – The most recent performance evaluations and the annual program review were not submitted. The audit report from the previous year dated March 31, 2005 was submitted (in French).* **No response at the time of the audit (On-site Audit). Corrective Action:** Ecocert submitted the appropriate documents. Ecocert submitted a complete list of all staff that has signed the Conflict of Interest Disclosure Form for 2007-2008 with some samples of signed forms, the list of operations currently certified by Ecocert, three copies from three reports and certification decisions for each area of our accreditation, and the annual program review/performance evaluations for 2005. The documents were sufficient in addressing the non-compliance.

### (China)

**NP7246EEA.NC1 – Adequately Addressed** - NOP §205.307(a)(4) states, “Nonretail containers used only to ship or store raw or processed agricultural product labeled as containing organic ingredients may display the following terms or marks: (4) The USDA seal.” *The document “Deviations from the National Organic Program NOP Requirements Observed during the Inspection” for the 2006 producer (#1325) inspection identified the lack of using the USDA seal on the label as a non-compliance (deviation). The use of the USDA seal is not mandatory or required for certification.* **Corrective Action:** Ecocert acknowledges that the way a question was asked and combined with another question in its report tool could be misinterpreted as a condition to use the USDA logo. Ecocert has decided to change the question in the report tool and will also emphasize this point during the 2008 inspector’s training in China.

**NP7246EEA.NC2 – Adequately Addressed** - NOP §205.403 (c)(2) states “The on-site inspection of an operation must verify: (2) That the information, including the organic production or handling system plan...accurately reflects the practices used or to be used by the applicant for certification or by the certified operation.” *During the witness inspection the buffer zones on the northern border of the fields were not verified.* **Corrective Action:** In Ecocert's corrective action, they indicated that during the inspection, the inspector physically checked three borders of the relevant organic field. At the last border,



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there is a dam. The inspector has asked the operator questions about the conditions of this Northern border and after having assessed the risk, did not go there. This issue was communicated to the auditors during the inspection. As corrective actions, Ecocert stated that they will focus on the point that all buffer zones must be verified during the next inspector's training in China. Ecocert included a schedule of the training for review.

**NP7246EEA.NC3 – Adequately Addressed** -NOP §205.404(b)(2) states, "The certifying agent must issue a certificate of organic operation which specifies the: Effective date of certification," *The certificates issued by Ecocert have a "Date of Last Inspection" and an "Issued in Northeim" date. None of the certificates reviewed had an "Effective date of certification" which is the date the operation was first certified to the NOP standards by Ecocert.* **Corrective Action:** Ecocert acknowledged that this non-compliance was previously identified by the USDA. As a result, the 'Date of Initial Certification' was included in Ecocert's certificates beginning July 2006, and all certification officers were informed accordingly. However, at that time, Ecocert had also started to work with a new excel tool for preparing reports, certification decisions, and certificates. Due to the length of time that it took to change the tool, the certification officers were asked to add the date of initial certification manually. This was, in some cases, not done, which resulted in the non-compliance. The change has been fully implemented and now the date is correctly mentioned in every certificate that Ecocert issues. A review of the certificate found that it includes the effective date as required.

**NP7246EEA.NC4 – Adequately Addressed** -NOP §205.501(a)(6) states "A Private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who review applications for certification...or make certification decisions and implement measures to correct any deficiencies in certification services." *No records of performance evaluations for the three client managers.* **Corrective Action:** Ecocert has completed the performance evaluations for the three client managers in China (by the end of 2007).

**NP7246EEA.NC5 – Adequately Addressed** -NOP §205.501(a)(8) states, "A Private or governmental entity accredited as a certifying agent under this subpart must: Provide sufficient information to persons seeking certification to enable them to comply with the applicable requirements of the Act and the regulations in this part." *The NOP standards are not provided to all clients that apply for certification. The translated standards are only provided to those clients that request the standards or that participate in training sessions. Those that request the standards are provided only those portions they inquire about (i.e. national list, labeling, etc...).* **Corrective Action:** Ecocert has translated the NOP Standard to Chinese and is regularly updated. It will be given to the Chinese clients during the next training course. The standard will now be sent to all clients during the application process starting with this year (2008). Existing clients will receive the updated standard when changes take place.

**NP7246EEA.NC6 – Adequately Addressed** -NOP §205.504 states, "A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information..." *The Ecocert Quality Manual submitted for the desk audit was Version 204.01.2006. However, the quality manual being used by the Ecocert China office was a 2005 version.* **Corrective Action:** Ecocert now has available the updated ECOCERT Quality Manual for all staff worldwide on the ECOCERT extranet (which is similar to a company's intranet, but web based).



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**NP7246EEA.NC7 – Adequately Addressed -NOP §205.504(b)(1)** states, “A private or governmental entity seeking accreditation as a certifying agent must submit the following documents and information...Administrative policies and procedures. (1) A copy of the procedures to be used to evaluate certification applicants, make certification decisions, and issue certification certificates.” *There were no documented procedures for inspecting production bases (grower groups). The procedures would have to be very detailed and describe exactly what types of production bases there are; determining the number of fields to be inspected; include verification of what fields are inspected from one year to the next; and what type of internal control system is required.* **Corrective Action:** Ecocert submitted the application form and report tool which is the system grower group inspection is based on. The application form includes a special page for the risk assessment of grower groups. The applicant gives information about the general organization of the grower group, the internal staff, and the documentation and registration system. Using this information, the certification officer is able to give proper advice to the inspector of what to do during the inspection. Ecocert also has a special module in the report form for inspection of grower groups, risk assessment, and random sampling of external inspection. By using this, the inspector is able to finally adapt the re-inspection rate according to the situation on-site. Ecocert will require the use of the form for the 2008 inspection season and will set up an instruction how to fix the re-inspection rate.

**(Germany)**

**NP7246EEA.NC8 – Adequately Addressed -NOP §205.642 Fees** and other charges for certification states, “Fees charged by a certifying agent must be reasonable, and a certifying agent shall charge applicants for certification and certified production and handling operations only those fees and charges that it has filed with the Administrator.” Additionally, the clause states “...the fee schedule must explain what fee amounts are nonrefundable and at what stage during the certification process fees become nonrefundable, and the certifying agent shall provide all persons inquiring about the application process with a copy of its fee schedule.”. *ECOCERT adopted a new series of fee schedules on January 1, 2007, and is currently using this international fee matrix for charging clients during the 2007 certification year. The company has not filed the updated fee schedule with the Administrator. Additionally, there is no reference to nonrefundable portions of the certification fees in the structure of the fee schedule, and policy dictates that only those requesting a fee schedule are actually provided with one.* **Corrective Action:** Ecocert submitted the 2007 fees and the new fees for 2008 were sent to the USDA on January 7, 2008. Ecocert has also stated that when new fees are developed, they will be sent to USDA prior to their use. The information about the non-refundable portions of the fees is given in Article 4 of the inspection contract. Ecocert has also stated that their policy is that every applicant gets a cost estimate following the application which informs them about the estimated annual costs for inspection and certification of the operation concerned.

**NP7246EEA.NC9 – Adequately Addressed -NOP §205.501(a)(9)** states, “Maintain all records applicable to the organic operation for not less than 5 years beyond their creation and allow authorized representatives of the Secretary...access to such records during normal business hours for review and copying to determine compliance with the Act and the regulations of this part.” *Not all records were available for review. In some cases after two inspection days, the company was unable to retrieve the records requested for review from the satellite locations managing the certification.* **Corrective Action:** Ecocert acknowledged that in order to reduce paper copies, some paper documents related to their clients are kept only in the local branch office where the daily inspection and certification work is done. (E.g.



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report attachment.) In Ecocert's office, they centralize the Organic System Plans, reports, certification decisions, certificates, and also the records. During the accreditation visit at Ecocert's main office in Germany, some colleagues in branch offices were absent due to traveling or illness. As some of these offices have only few staff, Ecocert couldn't get all documents in time. Ecocert has stated that during future accreditation audits, they will make sure to have staff present in each branch office to send all requested documents immediately.

**NP7246EEA.NC10 – Adequately Addressed - ECOCERT V-Rep Procedure and the Ecocert SA Sanction Levels for NOP Certification** describes any number value above 3 requires (4) corrective action to be implemented and verified prior to certification, (5) an additional inspection required prior to certification, (6) an analysis required before certification; (7) decertification of product; (8) declassification of a field and decertification of its product; (9) suspension of certificate for a determined period; (10) withdrawal of certificate. *Three of seven files reviewed contained several sanctions ranging from 4-7. Verification that the non-compliances identified during the inspection process were implemented and verified prior to certification could not be realized with the records available. Certificates were issued to each of the companies even though the conditions of the sanctions precluded certification.* **Corrective Action:** Ecocert has changed their procedures for the certification officers in branch offices to only send the certificate and certification decision after the follow up was properly completed. An additional column was added to check when requested documents were provided.

**NP7246EEA.NC11 – Adequately Addressed -NOP §205.201** (a)(5)(6) states, “An organic production or handling system plan must include: (5) A description of the management practices and physical barriers established to prevent commingling of organic and nonorganic products on a split operation and to prevent contact of organic production and handling operations and products with prohibited substances; and (6) Additional information deemed necessary by the certifying agent to evaluate compliance with the regulation.” *The organic system plan currently provided to clients by Ecocert does not provide the certifier with adequate information to evaluate compliance with sections NOP §205.271 (a) – (f) and NOP §205.272(a).* **Corrective Action:** Ecocert submitted the OSP which is part of the application form. The OSP has a link for “NOP Certification” which allows for the appropriate information to be included.

**NP7246EEA.NC12 - Adequately Addressed -NOP §205.501(a)** requires a private or governmental entity accredited as a certifying agent under this subpart to (15) Submit to the Administrator a copy of: (i) – Any notice of denial of certification issued pursuant to NOP §205.405, notification of noncompliance, notification of noncompliance correction, notification of proposed suspension or revocation, and notification of suspension or revocation sent pursuant to NOP §205.662 simultaneously with its issuance. *Per interview with the NOP Certification Manager and client file reviews it was concluded that the required notices are not sent to the Administrator.* **Corrective Action:** Ecocert has revised the inspection and certification procedure to assure that copies are sent to the USDA (via the certification manager) if certification is denied or for notice of non-compliances. In addition, a new procedure was created so that a copy of every (proposed) suspension or revocation will be sent to the Administrator.

**NP7246EEA.NC13 - Adequately Addressed -NOP §205.501(a)(6)** states, “A private or governmental entity accredited as a certifying agent under this subpart must: Conduct an annual performance evaluation of all persons who review applications for certification, perform on-site inspections, review certification documents, evaluate qualifications for certification, make recommendations concerning certification, or



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make certification decisions and implement measures to correct any deficiencies in certification services.” *A review of selected personnel files concluded that 8 of 31 did not have a performance evaluation document in their files or could not be provided by the company, 4 of 31 were not current and 5 of 23 were performed in 2006, but were not dated or signed. **Corrective Action:** The procedure for performance evaluations of inspectors and the performance evaluations were submitted. In addition, the procedure for the Evaluation of Certification Staff and performance evaluations were submitted on April 4, 2008.*

**NP7246EEA.NC14 - Adequately Addressed -NOP §205.405(c)** Denial of Certification states, “After issuance of a notification of non-compliance, the certifying agent must, (1) evaluate the applicant’s corrective actions taken and supporting documentation submitted or the written rebuttal, conduct an onsite inspection if necessary. Additionally, (ii) when the corrective action or rebuttal is not sufficient for the applicant to qualify for certification, issue the applicant a written notice of denial of certification.” *Records indicate that in one of seven files reviewed, the submitted corrective actions to the findings in the official certification letter did not actually adequately answer the non-compliances listed. A certificate was issued in spite of the inadequate response. **Corrective Action:** Ecocert acknowledged that the mistake was made by the certification officer. The certificate was issued because the next inspection to check compliance with previous improvement actions was scheduled shortly after. Nevertheless the requested documents should have been provided before issue of the certificate. Ecocert has discussed this non-compliance with the certification officer to avoid reoccurrence and Ecocert completed the on-site audit in November 2007 verifying the corrective actions.*